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MSU Study Shows Montana Products Moving West

Further evidence of growing marketing opportunities in Western States for Montana industries is disclosed in first reports of a study of Montana's balance of trade being conducted by the Bureau of Business and Economic Research at Montana State University.

The findings from an analysis of interstate Commerce Commission warbill statistics are reported by Dr. William S. Peters, Associate Professor of Business Administration, in the August, 1957, issue of "Montana Business".

Cattle, Lumber, Wheat

In a breakdown of out-of-state shipments for three of Montana's major products (cattle and calves, lumber, and wheat) using the comparative periods of 1939, 1948, and 1953-55, some differences in Montana's market orientation between pre-war and post-war patterns are found to exist. Dr. Peters points out that "Differences between pre-war and post-war patterns are clearest in cattle and calves with the Far West increasing in importance to Montana shippers at the expense of the historically traditional markets to the east. In lumber the already predominant shipments to the West North Central States have increased seemingly at the expense of Northeastern destinations. In wheat the gain in share of West Coast markets in the decade of the '40's is again evident, though there is some question whether the shift has persisted unabated into the '50's."

In his final comments, Peters makes the over-all generalization that "The number of vital export markets Montana now looks both east and west, and that among the northern tier of Mountain States this position is in many respects unique."

Implications of Market Shifts

While the portion of Dr. Peter's study that pertains to changes in Montana's market orientation for major products is described as only a partial answer, it is most encouraging for the future. The trend noted means not only that markets may be moving closer to Montana's traditional products, but that there are also growing opportunities for adding value by manufacturing and otherwise upgrading our products of agriculture, mining, and forests. The promise of future development and diversification depends on the extent to which population growth continues in the western portion of the United States. Much also depends on what we do within the state in the way of directing research and promotional activities to development potentials.

Will Montana Grow?

One measure of a state's economic vitality is the rate of population growth. The in Montana's case, the rate has been slow since became free World War II, but it has not fallen below the national average at a faster rate than any time since 1920.

In fact, according to estimates of the State Board of Health from school census reports, Montana's population increased 12 per cent from 1950 to the end of 1955. This compares with an estimated 9 per cent gain during the same period for the nation as a whole.

Presumably all Montanans would like to see our state continue this growth. What are the prospects?

There is no sure answer, but some comparative projections can be made.

The accompanying table shows three projections. The first two were made recently by the U. S. Census Bureau, and reflect different combinations of assumptions regarding future birth, death, and migration rates. The third projection, prepared by the State Planning Board, assumes only that the growth rate in absolute numbers since 1950, as estimated by the Board of Health, will continue.

Varied Projections

While the third projection is substantially higher than either of the two Bureau of Census projections shown, it is not likely to consider it within the realm of possibility.

The most obvious reason is that, even if the rate being expressed in the recent report of the State Board of Health estimate for 1955, which is 31,000 above the U. S. census estimate for that year. Thus, both the beginning 1955 base and the projected growth trend of the preceding five-year period are greater.

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COMPARATIVE PROJECTIONS OF MONTANA'S POPULATION IN 1950 AND 1970

	April 1, 1950	July 1, 1955	July 1, 1970
Actual	250,000	281,000	312,000
Projection 1	250,000	321,000	352,000
Projection 2	250,000	321,000	352,000
Projection 3	250,000	321,000	352,000

Projections 1 and 2 are Series 1 and 2 of the U. S. Census Bureau's "Population Estimates, 1950-1970," published by the U. S. Census Bureau, Washington, D. C., August 1, 1957.
Projection 3 is based on estimate of State Board of Health from school census reports from 1950 to 1955. Growth of a county in Montana from 1950 to 1955, projected through 1970.

Why Bozeman Plans

Bozeman's city planning program is progressing well, according to M. L. Henderson, City Manager.

Bozeman is the first city in Montana to take advantage of the Urban Planning Assistance Program by which U. S. Housing and Home Finance Agency pays up to half the costs of a planning project.

of \$14,700,000 for a complete development of the city's future. DeFeet assured that the plan was accepted and understood by citizens.

Suburban Growth Dephazard

His son is quite definite about why the city is planning. "The areas just outside the city limits were developing in a chaotic manner that our future growth would be impeded," he says. "We have had an excellent zoning ordinance in effect within the city for many years. However, on the outskirts, the types of buildings were being built not along the highway, rather concentrated in shopping centers. The hundreds of potentially valuable commercial and residential land were being covered for all time. In several cases, the new businesses were marginal enterprises that were looking for cheap land."

In addition, new suburban housing developments were not being built with legal setbacks, street grades, and other standards. Since these areas eventually would be taken into the city, the council had an interest in what was being done there.

Planning Commission Formed

The Municipal Plan Board of interested citizens was organized to cope with these problems. The Board did an excellent job of working with subdividers to make better subdivision layouts, and in suggesting the best locations for shopping centers, schools, etc., in the newer areas of the city. But a point was reached when expert advice was needed.

Master Plan Found Necessary

10. Bead found that in order to attain the desired growth and thus keep the body in the form our body wanted it had to have a complete master plan of the nature the growth would have to be formulated.



(Northern Pacific Railway Photo)

One of the largest livestock feeding operations in Montana is in Sidney. Over 80 per cent of all sheep fed for slaughter in Montana are fed in the Sidney area, which is the hub of a rich irrigated agricultural area. The Holly Sugar Company refinery annually produces about 13,000 tons of dried beet pulp and 9,300 tons of beet molasses. These by-products form the basis of the commercial feedlot there. Other feed available include alfalfa hay, beet tops, corn, and grains such as barley and oats from surrounding areas.

Sidney is also the state's second largest livestock market, according to Dan Price, Manager of the Sidney Chamber of Commerce. Last year 571 carloads of sheep were forwarded from the Lower Yellowstone Project, and 1,229 carloads of cattle.

The community of Sidney realizes the importance of agriculture to its prosperity. A prime example, according to Manager Price, was the way Sidney businessmen furnished support, both monetary and otherwise, to secure a branch State Agricultural Experiment Station for Sidney in 1948. This laboratory conducts research on problems of eastern Montana agriculture.

At the present time, Sidney is supporting the establishment of an experimental livestock fattening program, which may lead to an expansion of current feedlot operations.

Sidney is wise in concentrating its economic development efforts on agriculture.

part of Montana State College on Bozeman's economy. As the college continues to grow, more city services will be needed.

Another factor in the need for expert help, according to Henderson, is that a town's citizens won't always listen to their fellow citizens on the planning commission tell them what to do about the city's future. Outside, professional advice would be generally accepted.

Consultant Hired, Grant Approved

So Mr. Henderon, the Plan Board and the City Commission investigated several planning consultants and DeBoer's offices were tentatively arranged. An application was filed through the State Planning Board for an HHA grant. This grant was approved by HHA last summer, and DeBoer started work immediately. Already completed as a by-product of the effect of the new Inter-

state Highway on Bozeman's growth and a map of the trade areas of Bozeman.

Bozeman's planning program is a relatively inexpensive one because both city officials and the Plan Board had done excellent groundwork. Prospective layouts of new suburbs had already been prepared when DeBoer started to work.

Joint Board Formed

Bozeman and Gallatin County recently organized a joint City-County Planning Board under the provisions of planning legislation passed by the legislature last March. This will allow more efficient planning in suburban areas.

Bozeman has an especially forward-looking and aggressive city government. But there is no reason all Montana cities can't deal with their problems in the same way.

Certainly Bozeman will reap the benefits in the future.

RESEARCH HELPS FOR SMALL BUSINESS

America is a country of small businesses—83 per cent of all manufacturing establishments employed less than 50 people in 1954 and 99 per cent of all trade and service establishments had less than 50 employees.

This is especially true in Montana: we have only 38 manufacturers that employ more than 100 people.

Even though small business is an important part of our economy, there are many factors working to decrease the number of small businesses—higher costs, automation, taxes, product diversification, labor costs.

One of the most important of these factors was discussed at the President's Conference on Technical and Distributive Research for the Benefit of Small Business held in Washington, D. C., September 23-25, 1957. This factor is that **research and development activities are the key to economic growth in this country.** Research into new products and into sales potentials, for instance.

Research, though, costs money. Many small businesses feel they cannot afford research. Big business, on the other hand, realizes the importance of research, and in almost every case reaps the benefits in increased sales.

The President's Conference was held to suggest ways of telling small business how to take advantage of research.

Many relatively inexpensive research helps are available to small business, according to the Conference:

- **Trade associations.** Often, small businessmen can together hire necessary research done by a professional staff. Many times, too, small manufacturers are already members of associations that can do research on specific problems.

- **Business press.** Magazines and journals are among the best ways to keep up with what's going on in a business.

- **Educational institutions.** Nearly every college has faculty personnel available for consultation, at a very nominal cost, on specific research projects. In this state, Montana State College channels contract research through the Research and Endowment Foundation, and Montana State University through the Bureau of Business and Economic Research. Besides private consulting work, colleges publish many research aids (such as "Montana Business") and conduct extension activities in many communities of the state.

- **Professional consultants.** Private research institutes do contract research, and much of their work is for small business. For instance, Stanford Research Institute recently conducted a survey of consumer preferences in house trailers for an association of trailer coach manufacturers.

- **Governmental units.** The amount of published material put out by agencies of federal and state government is phenomenal. U. S. Department of Commerce and Small Business Administration usually have access to most of them. For instance, the data gathered by the U. S.

Brickman Expands Plant; Says Montana To Grow

The State Planning Board always likes to hear about expansions based upon faith in the future of the state.

Take Archie Bray, Jr., of the Western Clay Manufacturing Company in Helena. Bray says he is convinced Montana is going to grow tremendously in the years ahead. And that's why he recently upped the capacity of his brick plant to 5,000 building bricks a day—enough to build five houses every day.

This is a significant fact. Production of building brick is a "service" industry, in the sense that bricks are used in new buildings. New buildings come only with economic development. Thus, when he decides to build a bigger brick factory, Bray is affirming a faith that basic industry is going to grow in the future so that more buildings will be built.

Bricks, being a relatively low value, bulky product, are not shipped great distances due to high transportation charges. Because of this, they are made almost everywhere. Montana has three brick plants—in Billings, Lewistown, and Helena. Other plants in the area are in Spokane and Salt Lake City. The principal market for brick made in Helena is therefore western Montana, Idaho, and Wyoming.

New Kiln

Western Clay was started about 70 years ago in Helena with five small "beehive" kilns. This year, a modern 240-foot long kiln was installed in a new 272' by 105' metal building. All machinery is modern—the bricks are handled only once by hand. Every other operation is automated. Clay comes from a deposit near Helena, and the plant employs about 25 men year-around.

Bray is a real booster for the state. He emphasizes: "Never sell your state short. Montana has everything. It will be extremely important industrially in the future."

We agree, Mr. Bray.

Census Bureau can be utilized. A manufacturer wanting to know the potential market for a new product could get much of what he wanted from "Census of Manufactures," and from population data in the communities he wanted to serve. In addition, the Census Bureau will run special tests to gather information from their data.

State agencies, too, can help small business. The Employment Service is an example—fitting the right personnel into the production line. The State Planning Board can also help small businessmen with specific problems in some cases.

- **Big business.** With their own research activities, larger firms are often able to help the smaller firms from which they buy and sell. At the Conference, the example of Sears, Roebuck with its candy research lab was cited. Over 300 small candy manufacturers around the country that supply Sears with candy and that could not afford extensive research activities on their own are thus given the benefit of high standards.

By taking advantage of help that is available, small business can often solve many technical problems—and at a reasonable cost.



An interesting program was presented at the annual Montana Chamber of Commerce convention in Helena last October 26. Keynote speaker was Franklin L. Parsons, Research Director of the Federal Reserve Bank of Minneapolis, who discussed "tight money". Main speaker was Dean H. Eastman, Vice President of the Northern Pacific Railway from Seattle, who talked on Montana's role in the Northwest's economy.

Plans for a plywood factory in Whitefish have been announced by H. E. Van Allen, President of Whitefish Lumber Company. A joint group, Whitefish Development Corporation, has been formed to construct a building to house the factory at a cost of \$250,000. This will be Montana's second plywood plant—the first is Polson Plywood (see Feb., 1957, Industrial Horizons).

INDUSTRY NEEDS MORE ECONOMIC DEVELOPMENT TOOL

As the State Planning Board continues its study of the economic development needs of Montana, it is becoming increasingly aware of the need for a more effective tool to help communities in their planning. The Board is currently studying the possibilities of developing a "Community Development Guide Book" which would provide communities with a systematic approach to economic development planning. This guide book would be designed to help communities identify their economic strengths and weaknesses, set realistic goals, and develop a plan of action to achieve these goals. The Board is currently soliciting input from communities and individuals interested in economic development.

Facilities Described

The guide book would describe the various types of facilities that are available in Montana, including manufacturing, service, and retail facilities. It would also describe the various types of facilities that are needed for economic development, including industrial parks, business incubators, and research and development facilities. The guide book would provide information on the location, size, and cost of these facilities, as well as information on the various types of incentives and subsidies that are available to help communities develop these facilities. The Board is currently studying the possibilities of developing a guide book that would provide communities with a systematic approach to economic development planning.

Community Groups

The guide book would also provide information on the various types of community groups that are available in Montana, including local development corporations, community development corporations, and neighborhood development corporations. It would describe the various types of services that these groups provide, as well as the various types of incentives and subsidies that are available to help communities develop these groups. The Board is currently studying the possibilities of developing a guide book that would provide communities with a systematic approach to economic development planning.

Benefits of Self-Evaluation

The guide book would also provide information on the various types of self-evaluation techniques that are available in Montana, including the "Community Development Self-Evaluation Form" and the "Community Development Self-Evaluation Checklist." It would describe the various types of information that these forms and checklists provide, as well as the various types of incentives and subsidies that are available to help communities develop these forms and checklists. The Board is currently studying the possibilities of developing a guide book that would provide communities with a systematic approach to economic development planning.

ECONOMIC SURVEY FORMS AVAILABLE

Copy of the "Community Development Self-Evaluation Form" and the "Community Development Self-Evaluation Checklist" are available from the State Planning Board, Helena, Montana. These forms are designed to help communities identify their economic strengths and weaknesses, set realistic goals, and develop a plan of action to achieve these goals.

The forms are available for use by communities and individuals interested in economic development. They are designed to be used in conjunction with the "Community Development Guide Book" which is currently being developed by the State Planning Board.

BRIEFS . . .

Communities on the new Federal Interstate Highway system should investigate the possibilities for good city planning that will come with the program. For instance, better terms on Federal Housing Administration loans can be gained for residences relocated from highway rights-of-way, provided the community has a "workable program" or master plan for the city's growth. The reason for this provision is that the government wants to aid solution of urban growth problems by making sure that houses are not moved into non-standard areas. The Federal highway program in Montana will be U.S. 10 (including 10S through Butte and 10X through Philipsburg); U.S. 91 north and south; and U.S. 87 from Billings south.

Montana Rural Electric Cooperatives (MRECs) estimate they will borrow \$4.5 million in fiscal 1958 for system improvements, according to their state association. Over 40,000 consumers were being served from 27,000 miles of line on January 1, 1957. Among these are several small manufacturing operations—including the First Americans' tie-rack plant at Lamar, which hires only Indians from the Northern Cheyenne reservation.

According to the U. S. Chamber of Commerce, 15 state-wide private development credit corporations have been authorized by law. These include 7 now engaged in lending operations: Connecticut, Massachusetts, New Hampshire, New York, North Carolina, Rhode Island, and Maine. Eight others have been established, but have not as yet begun making loans: Arkansas, Georgia, Michigan, Minnesota, Mississippi, South Dakota, Vermont, and Wisconsin. These corporations are private pools of investment capital which operate as specially-authorized agencies for helping new business.

Attractive to industrial growth are considered. Completion of this form is a good start on an economic survey.

The second publication available from the State Planning Board is "Guide Book for Community Industrial Development," which lists the steps in setting up an industrial development program. Sample problems are: "Why Industry?", "Whose Job Is It?", "How to Get Started", "Finding the Prospect", "Selling the Prospect", "Holding Industry."

Interesting Publications . . .

Walter L. Hodge, **Manufacturers' and Topmakers' Views on Some Wool Marketing Problems.** (Washington, Farmer Cooperative Service, U. S. Department of Agriculture, General Report 34; 28 pp.) Study made to discover how domestic wool can better compete with foreign wool. Made by asking the people that buy and use our wool what can be done. Suggestions include removing tags from wool, eliminating black fiber contamination, and gate grading of sheep according to types of fleeces. Discusses relative merits of scoured and greased wool shipments.

Leonard D. Jarrard, **Some Occurrences of Uranium and Thorium in Montana.** (Butte: Montana Bureau of Mines and Geology, Montana School of Mines; Miscellaneous Contribution No. 15; 90 pp., \$1.) Helpful guide to all prospective uranium prospectors. Not only discusses uranium deposits in Montana, but also their geology and methods of prospecting. Written for the layman. Includes maps.

Uuno M. Sahinen, **Mines and Mineral Deposits, Missoula and Ravalli Counties, Montana.** (Butte: Montana Bureau of Mines and Geology, Montana School of Mines; Bulletin No. 8; 63 pp., \$1.) Describes all known mining properties in these two Western counties, and discusses their history and production.

A new trend in construction is toward precast concrete slabs, girders, and joists for use in building sections. Several variations are being employed. In pretensioning, steel strands are stretched between heavy anchorages, and concrete is poured around them. After the concrete hardens, the tension is released gradually, and the force is transferred to the structural member by means of bond between concrete and steel. After the concrete hardens, the steel is stretched to the proper tensile force, after which the steel is fastened to anchorages at each end.

Precast concrete is stronger than normal concrete and makes possible the casting of long beams on a production-line basis.

At least six Montana concrete plants are now employing this new technique, or are planning to do so. A use for which precast concrete is especially suited is highway bridges, which can be prebuilt at the factory and moved in a few sections to the bridge site.

MONTANA STATE PLANNING BOARD

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